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The Director of Central Intelligence Washington, D.C. 20505

NIC #03588-84 20 June 1984

David McManis

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence

FROM:

Fritz W. Ermarth, NIO/USSR-EE David McManis, NIO/Warning

SUBJECT:

Contingency Talking Points on your memo entitled 'US-Soviet

Tensions (dated 19 June 1984) For Meetings with Messieurs

Shultz, Weinberger, and McFarlane

1. In the event that any of your interlocutors ask you about the memo, we suggest you respond as follows:

- -- It was not my intent in sending you the memo to suggest there was any immediate danger of hostile Soviet action.
- -- Our best judgment of that issue remains that expressed in our recent SNIE on "The Implications of Recent Soviet Military-Political Activities", namely that we do not believe the Soviet leadership either fears imminent conflict or is making preparations for an imminent move toward confrontation.
- -- Rather, the purpose of my memo was to provide you with a recently prepared listing of Soviet-Warsaw Pact actions that appear to fall outside the realm of the ordinary.
- -- When viewed against the background of Soviet verbal bellicosity against the US, these actions possibly acquire additional significance.
- -- In light of this I wanted to let you know that I have directed the Intelligence Community to step up its analytical efforts on possible Soviet intentions between now and the end of the year.
- -- More specifically, I have instructed my NIO for Warning to produce on a regular basis Strategic Warning Reports that will draw on the inputs of all my NIOs and that will attempt to identify emerging strategic trends of more than normal concern to us.

Fritz W. Ermarth

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cc: D/SOVA NIO/W



approved For Release	: 2009/09/28 : (CIA-RDP86B004	20R000400840004-2
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U.S./Soviet Tension

The recent SNIE-11-10-84 JX examined a range of Soviet political and military activities that are influenced by Soviet perceptions or a mounting challenge from U.S. foreign and defense policy. Each Soviet action could be sufficiently explained by its own military or political purpose consistent with developing military readiness or a "get-tough" policy to

This summary will consider some longer term events that may cause some reflections about the kinds of actions the Soviets could orchestrate that would create a political embarrassment for the U.S. in the wake of deployment of INF in Europe. We believe the Soviets have concluded that the danger of war is greater than it was before the INF decision, that Soviet vulnerability is greater and will grow with additional INF emplacements and that the reduced warning time inherent in Pershing II has lowered Soviet confidence in their ability to warn of sudden attack. These perceptions, perhaps driven by a building U.S. defense budget, new initiatives in continental defense, improvements in force readiness, and a potentially massive space defense program may be propelling the USSR to take national readiness measures at a deliberate pace. There is a certain consistency and coherence in the symptoms of measures being taken that suggests central decisionmaking. Some of "civilian to wartime-type" of activity suggest a broad-based plan. These activities may all be prudent precautions in a period of anxiety and uncertainty on the part of the Soviets. Some of the measures we perceive

A. <u>Media</u>

Soviet media have portrayed the environment as dangerous to the domestic populace. The risks involved have been recognized in that in December 1983, the Soviets carefully modulated the tone to allay what appeared to be brewing hysteria. A message has been that the present state of U.S.-Soviet relations is comparable to those between Nazi Germany and the USSR prior to WWII and that the Soviets will not be surprised again.

B. <u>Civil Defense</u>

It is difficult to document an increase in attention to this area, but the civil defense exercise at Omsk in March in which 800 persons walked 50 km was without precedent in our knowledge. Civil defense remains an area of perennially high interest in the Soviet domestic media.

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C. <u>Security Procedures</u>

--Leningrad has become a closed city to Western attaches. U.S., UK, French and Canadian attaches in Moscow have been denied travel to Leningrad on numerous occasions in 1984. The Soviets prevented attache travel by international visas from Helsinki to Leningrad to Helsinki in May 1984. Their willingness to ignore the international portion of that trip to prevent attache travel indicates high-interest activity in the Leningrad area and/or a critical time-frame.

--In May 1984, valid visas for 58 Americans planning tour travel of USSR were cancelled. Apparently, the decision was made by the Soviet Ministry of Foreign Affairs in Moscow. The trip included a flight from Naples to Leningrad and it appears that those with defense security clearances were denied visas.

--According to the DAO Moscow, there has been an important change in the "political atmospherics" surrounding attache operations. Efforts to restrict collection in Leningrad, in particular, has become intense. The publication of an article in Red Star, 25 May 1984, against U.S. Naval Attaches suggests the Soviet campaign will be generalized and expanded.

at a non-European Embassy has forbidden all of his staff to have contact with Western officials.

--The changes in Permanent Restricted Areas (PRA) in East Germany impose significant restraints on operations of the Allied MLM. Most of the training areas, major unit facilities (air and ground) and their observation vantage points are now in the PRA. The new boundaries effectively restrict the missions to autobahns when traveling any distance in East Germany. Thus, collection is frustrated but also restrictions severely hamper the right to free and unimpeded transit guaranteed under the Huebner-Malinin agreements and similar agreements.

--In June 1984, for the first time since 1972 a portion of the City of Potsdam was included in a TRA.

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 \sim -The Soviets continue to declare multiple TRA's in addition to the PRAs.

--There have also been other travel restrictions. In Poland, there has been a perceptible increase in surveillance of attaches in the southwest corner of the country (Wroclaw, Zegnia, Swietoszow, Zagan), but not elsewhere. There has also been an increase in instances of surveillance since late 1983.

--Three recent incidents occurred in Poland where army and security personnel detained NATO attaches and then forced them to drive through a military restricted area for posed photography. In each case, the attaches were detained on public roads in an apparently well-planned effort at intimidation.

--In the Soviet Union, Pravda articles in June called for greater vigilance of Westerners and Soviet dissenters. Other reporting indicates that harrassment of Western reporters has increased. Soviet border guards are conducting more intensive searches of Western visitors.

--A Polish/

"piece rates." The greater presence of guards and security people at defense-related production plants is also reported.

D. Political Harrassment

--On 20 February 1984, the Soviets imposed new restrictions on Allied flights in the three corridors linking Berling to West Germany. Basically, altitude restrictions apply to the entire length of the corridors, rather than the central portions as had been the practice. New traffic-identification demands have also been made and met by the Allies.

--On 22 March 1984, an East German military vehicle rammed a French MLM vehicle killing the driver and injuring two others.

--On 18 April 1984, the Soviets briefly detained an eightvehicle French Army convoy at an Autobahn Checkpoint.

--On 2 May 1984, a U.S. military train bound for Berlin was delayed by East German railroad officials.

--On 16 May, East Germans refused to pull a French military train to Berlin until the French protested to the Soviet Embassy.

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fragility of free air access to Berlin. East Germany party take advantage of the Soviet behavior.

--On 8 June, the U.S. Consul General in Leningrad was called to a Soviet review of the assault on Ronald Harms on 17 April accusing the press coverage of being an exaggerated claim in a U.S. Government anti-Soviet campaign.

E. Logistics

The 1983 study of Soviet railroads concluded that the industry must improve its performance. The need for attention to the railroads is beyond question, but the new campaign which features early completion of the BALCOM line adds a sense of urgency to transportation improvements.

F. The Economy

--There has been a significant reduction in production of commercial aircraft in favor of military transport production since about June 1982. DIA studies show commercial aircraft production down 14 percent in 1983. Not only are traditional Soviet aircraft customers not adding new aircraft of Soviet make to their fleets, but the Soviets are buying back civil aircraft from Eastern European airlines. The increased allocation of resources for military aircraft production is supported by DIA production data.

--Other changes under way in selected segments of the economy point toward shifts to military needs. The termination of military support to the harvest, by directive of March 1984, may say that the success of the harvest is less important than the maintenance of military capabilities at high readiness. Such a decision is consistent with a leadership perception that danger is present, but inconsistent with the alleged priority of the food program and stated Soviet concerns about dissatisfaction.

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tro vea	tank chassis at the Chelyabinsk tractor plant forme since World War II. A second plant has also come tractors to tanks. The first not become a storage facility in a decade is under construction of the USSR, floorspace for ammuse.	iverted iew nuclear

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and explosives plants has been expanding since about 1980 after a decline of several years' duration. In April, the East German ammunition plant at Luebben increased to full three-shift 24-hour production and has more than doubled its output. These developments cross several sectors of national economic life and indicate that decisions are being made consistently across economic sectors.

--The increases in production are complemented by developments in the factors of production, especially labor and management. These have been subjected to one of the most strenuous and long-lasting campaigns to improve performance and expand output ever undertaken by Soviet authorities.

--At the same time, there has been a cutback in Soviet support for the East European economies, Soviet demands for better quality products from them, and higher prices for Soviet exports. These trends became evident in the fall of 1980 during the Polish crisis and have persisted. Although there are many sound reasons for the trends, they complement those already mentioned.

--Rationing of key products may be affecting commercial interests. State-owned trucking companies in Czechoslovakia are far below capacity due to insufficient fuel rations allotted as of 1 January 1984.

--In Poland, Jaruzelski apparently has formally agreed with the USSR to give up civilian production capacity to supply the Soviets with more military hardware.

--In a Magdeburg, East Germany metal processing cooperative, there are resource allocation shortages and increased target plans for 1984. While the imbalance could be blamed on poor management, the situation was exacerbated by a new bank law that prevents using state financial reserves since 1 January 1984.

G. <u>Military Activity</u>

of Soviet troop rotation, although with a slightly reduced volume, was continuing. (This extension also occurred during the last two rotation periods.) Extending the rotation seems to conflict with other Soviet efforts to minimize the impact of rotation, and the flow of personnel over three months would seem to disrupt programmed training.

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--Other irregularities have occurred in the troop rotation. Past railroad rotation activity was marked by a regularity of arrival and departure times. This rotation has been scheduled inconsistently. Additionally, there have been a number of anomalies. Railroad cars have arrived at Weimar, East Germany with approximately 75 troops but departed with only 35. As an unusual security measure to prevent observation at the Weimar freight station, the single family homes in the immediate area around the station are occupied by East German State Security people or are vacant.

--The Soviets may, for the first time during peacetime, be keeping a portion of their nuclear forces in Eastern Europe on quick-alert status, using sites for their SS-22 brigades in East Germany and Czechoslovakia.

troops arrived in Hungary.

March 1984, approximately 3,650 Soviet

that during the past 6-12 months additional
SPETNAZ troops have arrived in Hungary.
reported an increase of SPETNAZ forces in Hungary and Czechoslovakia as well as an ongoing "aggressive indoctrination" of Warsaw Pact forces.

--In Hungary, a recall of an undetermined number of reservists

--In the fall of 1983, the length of service for Czechoslovakian Army draftees with missile/rocket specialities was reportedly extended from two to three years. The length of service for air defense draftees with missile training was similarly extended.

--In Poland, the length of required military service for new reserve officers was to be increased from 12 to 18 months effective in 1984.

involving armed forces and territorial forces as well as civil defense elements is to occur in June in Czechoslovakia.

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to 35 years old have been drafted without consideration of family difficulties or their profession.

--The Soviets have pressed for stationing additional troops in Poland. ______ indicated that additional Soviet air elements are already sanctioned by the Poles.

H. <u>Intelligence Activity</u>

ordinary intelligence directives that have been issued. The thrust of these directives is to increase the authority of the intelligence agencies at the expense of career diplomats and to focus intelligence collection on survivability of networks and on warning.

I. Political Activity

--In external relations, Soviet activity has been intense. A series of relatively low-level harrassments concerning Berlin air corridors and ground access to Berlin fall into this category and have the potential to become more escalatory. The Soviets have recently cancelled a long-standing commercial accord with the U.S. The level of official harrassment of Western attaches is high throughout the Warsaw Pact, even including a shooting incident in Bulgaria. New travel restrictions have been placed on Western diplomats in the USSR.

--A message of dissatisfaction in U.S.-Soviet relations is clear, but more than the message the Soviets may actually be paying costs--surrendering commercial contacts and their own freedom of access. Activity resembles a calculated and careful withdrawal on multiple fronts; a limitation of exposure and vulnerability.

J. Military Behavior

The behavior of the armed forces is perhaps the most disturbing. From the operational deployment of submarines to the termination of harvest support to the delayed troop rotation there is a central theme of not being strategically vulnerable, even if it means taking some risks. It is important to distinguish in this category those acts which are political blustering and those which may be, but also carry large costs. The point of blustering is to do something that makes the opponent pay

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high costs while the blusterer pays none or little. The military behaviors we have observed involve high military costs in terms of vulnerability of resources for the sake of improved national military power, or enhanced readiness at the price of consumer discontent, or enhanced readiness at the price of troop dissatisfaction. None of these are trivial costs, adding thereby a dimension of genuineness to the Soviet expressions of concern that is often not reflected in intelligence issuances.